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E-filing, Home Computer Use Surges

IR-2004-28, Mar. 3, 2004

WASHINGTON — The Internal Revenue Service said today that electronic filing continues its solid growth, with early tax returns showing e-filing running more than 9 percent ahead of last year's pace. Overall, the number of tax returns has increased 2.8 percent compared to last year.

More than 33.5 million returns have been e-filed, about 3 million more than this time last year. Returns prepared and filed from home computers have jumped 23 percent.

"We continue to see strong growth in e-filing," said IRS Commissioner Mark W. Everson. "More and more taxpayers are learning it's an easy way of reliably filing tax returns. And e-filers get their refunds in half the time of those filing a paper return."

The IRS Free File program also has shown growth. So far, the IRS has received more than 1.9 million returns through Free File, an increase of more than 24 percent from last year, when the program was introduced.

Free File is a public-private partnership between the IRS and a consortium of tax software companies that offer free e-file services to eligible taxpayers. Free File, which is available only through IRS.gov, gives taxpayers free access to the benefits of online tax preparation and e-filing.

"Free File helps taxpayers in underserved and disadvantaged communities, and it's working," Everson said.

Each private company sets its own eligibility requirements for the Free File program. The IRS hosts the Free File Web page, but the online tax preparation occurs on the companies' Web sites. The companies file the returns using IRS's secure e-file transmission system. To find out more about Free File, visit the IRS Web site.

Tax returns filed so far show:

- The total number of e-filed returns hit 33.5 million, a more than 9 percent increase from last year.
- Nearly 7.7 million taxpayers have prepared and filed returns on their home computers, a 23 percent increase from last year.

- Tax professionals have submitted more than 23 million e-filed returns, a 7.2 percent increase from last year.
- Direct deposit of refunds climbed to nearly 28 million, a 9.3 percent increase.

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2004 FILING SEASON STATISTICS

Cumulative through the week ending 2/28/03 and 2/27/04

	<u>2003</u>	<u>2004</u>	% Change
Individual Income Tax Returns			
Total Receipts	47,087,000	48,390,000	2.8
Total Processed	40,003,000	42,260,000	5.6
E-filing Receipts: TOTAL TeleFile (phone) Computer Tax Professional Self-prepared	30,669,000	33,511,000	9.3
	2,736,000	2,547,000	- 6.9
	27,933,000	30,964,000	10.9
	s 21,700,000	23,273,000	7.2
	6,233,000	7,691,000	23.4
Tax Year 2003 Refunds Certified:			
Number	36,907,000	38,932,000	5.5
Amount of principal	\$ 78.826 billion	\$ 86.836 billion	10.2
Average refund	\$2,136	\$2,230	4.4
Direct Deposit Refunds:			
Number	25,586,000	27,955,000	9.3
Amount	\$ 62.797 billion	\$ 70.658 billion	12.5
Average	\$2,454	\$2,528	3.0